



**An International Center for Soil Fertility and Agricultural
Development**



Kyrgyz Agro-Input Enterprise Development Project

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Tenth Quarterly Report

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by

IFDC

***An International Center for Soil Fertility
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Table of Contents

	Page
Introduction.....	1
Management and Operations	1
Highlights of Program Achievements.....	2
Association Development.....	3
Business Development Services (BDS)	8
Agronomic Services (AS).....	10
Media Support (MS).....	12
Cooperation and Leveraged Support	13
Activities Planned for Next Quarter	14
Association Development.....	14
Business Development	14
Agronomic Services	14
Appendix.....	17

Acronym List

AAK-JA	Association of Agro-Businessmen of Kyrgyzstan “Jer Azigy” (Food for Soil)
AED	Academy for Educational Development
AS	Agronomic Services – a support unit within KAED project
BDU	Business Development Unit
CAR	Central Asia Region
CGF	Credit Guarantee Fund
CIMMYT	International Maize and Wheat Improvement Center
CPP	Crop Protection Products – includes both chemical and biological
FVAI	Ferghana Valley Agribusiness Initiative
GAA	German Agro Action
GTZ	German Agency for Technical Cooperation
IFDC	An International Center for Soil Fertility and Agricultural Development
IPM	Integrated pest management
IR	Intermediate Results Indicator
KAED	Kyrgyz Agro-Input Enterprise Development Project
KAFC	Kyrgyzstan Agricultural Finance Corporation
KGS	Kyrgyz som (unit of currency)
MAWPRI	Ministry of Agriculture, Water, and Processing Industry
MOU	Memorandum of Understanding
MS	Media Services – a support unit within the KAED project
NUKOK	Nookat Cooperatives Union of Potato Growers
OAI	Osh Agribusiness Initiative
PSES	Private Sector Extension Services
RAS	Rural Advisory Services (Public Extension supported by WB)
SSI	Support to Seed Industry (Takis)
STC	Short Term Consultant
TACIS	Technical Assistance to Commonwealth of Independent States
TARF	Training Activity Request Funds
TES	Technical Extension Service Project (German donor sponsored)
TTC	Technology Transfer Center – a field center featuring new practices and technologies to provide training to agro-businesses
USAID	United States Agency for International Development
VAT	Value Added Tax
WB	World Bank

Kyrgyz Agro-Input Enterprise Development Project
Quarterly Report — January 1, 2004 through March 31, 2004

Introduction

For consistency and ease of understanding, the Kyrgyz Agro-Input Enterprise Development Project (KAED) quarterly reports largely follow the format of the work plan submitted to the United States Agency for International Development (USAID) in October 2003. Progress is reported for each of the four program areas (association development, business development services, media support, and agronomic services). Monthly and weekly reports to the USAID project manager contain more extensive and detailed information on KAED activities and progress.

The second quarter of the project extension focused on AAK advocacy support, farm store development, and preparation of this season's Technology Transfer Centers.

Management and Operations

During the quarter the Chief of Party met with Mary Norris (USAID), Dave Besch (USAID), Pragma staff, and other implementing partners in Khojand, Tajikistan to discuss upcoming plans and the progress that has been made in regards to the Ferghana Valley Agribusiness Initiative.

The 1st annual AAK member and farmer surveys were distributed to USAID during the quarter. These surveys have been a great benefit for KAED to identify areas where increased attention needs to be focused.

During February, the Chief of Party was in Bishkek and met with USAID, Mashav, GTZ, AED, and TACIS. At GTZ, the COP met with Dr. Rudger Hulsen who is the Project Leader for the Development of Trade and Service Cooperatives. An explanation was provided on the KAED project and the project supported trade association. An overview was also provided on

Osh Krastex, a fertilizer company based in Osh that is the only Kyrgyz Company with authorization to import guaranteed quality fertilizer from Uzbekistan. Dr. Hulsen was quite interested in this information as he was unaware of quality fertilizer coming from Uzbekistan. In November their project provided a tender for the purchase of 1,000 metric tons of fertilizer. The company that won the tender (based in Bishkek) had to pull out as Russian Fertilizer prices have increased. GTZ tested the Osh Krastex fertilizer and it was confirmed to be of high quality. GTZ re-contracted the purchase of 1,000 metric tons with Osh Krastex.

The COP and three AAK members (Valeri An, Primova Clara, and Asylbek Jeenbekov) met with USAID Assistant Administrator Kent Hill and State Department Ambassador Carlos Pascual during the first week of February.

During the month of March, the COP submitted an AAK draft business plan and sustainability report to the USAID Kyrgyzstan and CAR offices. Additional emphasis will be placed on the plan when Ed Beaman (President of the Agribusiness Association of Iowa) visits with the AAK Board of Directors and KAED Staff during the middle of April.

During the quarter, four AAK members were interviewed for the Cochran Fellowship program in the United States. The announcement of selected participants will take place next quarter. Interviews for the vacant position of Assistant Agronomist were conducted and a candidate was selected. He will start work during the first week of April.

Highlights of Program Achievements

The three program components drive nearly all the proposed results indicators. Association Development is the core of the entire project. A trade association of input dealers is the mechanism that provides the framework to facilitate access to credit and deliver communications, training, and advocacy on a sustainable basis. The supporting units of Business Development, Media, and Agronomic Services provide a value-added package that accompanies membership in the trade association.

Association Development

As of March 31st, AAK membership totaled 170 people with approximately 70% based in the Osh Oblast. During the next quarter a membership drive will take place in the Jalalabad Oblast to strengthen the membership base in the region. During the quarter the Project's Association Development Unit implemented the following activities:

Land Reform Expo— On February 4th the Governor of the Osh Oblast held an exhibition dedicated to the 10th anniversary of land reform in the Kyrgyz Republic. Although notice was given only two days prior to the event, 4 member companies and AAK set up booths to display products and services available to the agricultural sector.

Russia Study Tour— AED TARF applications for the Russia study tour were developed and distributed to AAK members during the last week of January. Twenty AED TARF applications were submitted by AAK members and eight participants were selected to attend the Moscow study tour. Following are a few sample success stories:

1. AAK member, An Valery signed a contract with a vegetable seed company for the delivery of 2 tons of onion seed in 2004 and more than 5 tons for 2005. Mr. Valery is going to provide farmers of the Osh oblast with watermelon, pepper, tomato, cucumber and carrot seeds. In addition, Mr. Valery established linkages with “Volya” Ltd. from Moscow region dealing with different kinds of greenhouses. He is ready to provide information about greenhouse development to interested entrepreneurs.
2. Mamatov Urmat established linkages with the Eurochim Chemical Company and Kazphosphate, a Kazakhstan fertilizer company.
3. NUKOK Cooperative Manager and AAK member Mr. Abdurakhmanov established linkages with 2 potato producing companies:
 - a) Russian-Dutch joint venture Agrico-Eurasia represented by Vaganov Alexander.
 - b) The Lorkh Scientific-Research Institute for Potatoes.
4. Omurzakov Abdykerim is interested in the purchase of mineral fertilizer from Kazakhstan in July through August of 2004 as fertilizer prices usually decline in the summer time. Mr. Abdykerim made several important contacts at the agricultural expo with fertilizer companies to start these negotiations. Follow-up by project staff will take place during the next quarter.

5. Yuldashev Hairullo established linkages with August Firm Ltd. which is involved in small packaging of CPPs. Mr. Hairullo purchased CPPs at the exhibition for the amount of 10,000 KGS.
6. Haidarov Umarjan established contacts with “Phosagro” Ltd. – producer of mineral fertilizer. However, the minimum amount of shipment is 1000 tons. Mr. Umarjan believes that the shipment will need to be done jointly with other association members. Follow-up by project staff will take place next quarter as AAK members start their preparation for next years fertilizer needs.

Netherlands Study Tour— Applications were distributed for the Netherlands study tour which will take place in April. The KAED Chief of Party, staff translator, and 6 AAK members left for the Netherlands on March 31st and will return on April 11th.

Cochran Fellowship— January 30th was the deadline for AAK members to turn in their Cochran Fellowship application forms. Twenty applications were submitted to the project and five candidates were selected for follow-up interviews. The announcement of selected participants will take place next quarter.

Vegetable Seed Round Tables— Two vegetable seed round tables were held (Osh and Jalalabad) in January for local producers, input dealers, and processors as well as international seed suppliers (Bejo, Nunhems, and Syngenta). This series of round tables were an important step for the Ferghana Valley Agribusiness Initiative as it involved all of the major players in the vegetable sector for southern Kyrgyzstan. Invited observers included State Administration personnel and development organizations (RAS, GTZ, Tes, Pragma, and HOPE). Ludmilla Pak, a seed distributor from Bishkek representing Bejo brought seeds with her and was able to sell over 7,000 KGS of high-quality seeds for the upcoming season (seeds included cabbage, watermelon, cucumbers, and tomatoes). Unsold seeds were left to be sold in Clara Primova’s retail farm store.

- Osh Round Table: 76 people attended the Osh Round Table. IFDC invited the largest processor that Pragma was not working with at the time (Eastman) and Pragma invited 3 other processing firms. A very fruitful discussion took place in regards to the sectors needs and opportunities.

- Jalalabad Round Table: 49 people were in attendance at the Jalalabad Round Table. IFDC invited 3 processing firms as Pragma was not working in the Jalalabad region at that time. Although Jalalabad is a strong region for vegetable production the use of high-quality seeds and more expensive hybrid seeds is less prevalent. This is the first year that IFDC has held a separate seed round table in Jalalabad and we were pleased with the attendance and the reception amongst the participants.

Taxation Round Table— During the month of February AAK held a round table on the new tax code for the agricultural sector. Six representatives from the Kyrgyz Legislative assembly were in attendance (listed below) along with representatives from processing companies (Eastmen, Elena, Rahmanberdi, and Kara Shoro), international organizations (Pragma, GTZ, TES Center, Bai Tushum, and RAS) 43 AAK members, and 8 farmers. As a follow-up to the round table a proposal was developed by AAK and the KAED project on elimination of the VAT for agricultural inputs and the Parliament is currently discussing a bill that was subsequently brought to the floor on this issue.

Legislative Members in Attendance:

Japarov Usenbekovich, Chairman of the committee for taxes, custom and other duties;
Juraev Juraevich, Chairman of the committee for agro-industrial complex;
Sultanov Abdyrazakovich, Chairman of the committee for budget and finances;
Abdimomunov Abdimomunovich, Chairman of the committee for international affairs;
Joldoshev Niyazovich, member of the committee for taxes, custom and other duties;
Boronbaeva Joluevna, member of the committee for health protection, and for women, family and youth affairs.

Advocacy— The Association Development Unit has developed a matrix of future AAK policy issues and has started to track positions held (per issue) of international donors, organizations, multilateral institutions, and government bodies. A follow-up staff training program will be conducted with Ed Beaman, President of the Iowa Agribusiness Association next quarter.

AAK MEETINGS

AAK Village Meetings— In the month of February, nine village meetings were held for AAK members throughout the Osh, Batken, and Jalalabad Oblasts. In addition to a seminar on the “Comparative Advantage of Crops” and information on AAK membership, the following activities for February and March were provided to over 150 attendees:

- Upcoming study tours to Russia and Holland;
- Round Table on taxation in the agribusiness sector (see above);
- Discussions on the AAK position on the supply of ammophos by the Kyrgyz Government;
- Contests for AAK members (slogan, logo);
- Upcoming seminar on marketing (April);
- Upcoming PRAGMA trainings.

AAK Special Village Meetings— During March the project received a call from Naken Kasiev, the Osh Oblast Governor on Thursday the 11th of March after he attended an agricultural village council meeting in Oneki bel in the Nookat Rayon. Farmers at the meeting were asking about availability of fertilizer. Upon recommendation from the Governor, the following day KAED staff and AAK input suppliers (Agrozoovetservice and Priroda Retail Shop) met with approximately 100 farmers. AAK provided information on the association, contact information on input suppliers, and distributed 50 copies of the *Agribusiness* newsletter. The following week an exhibition was held in the Bel Oruk village council meeting. Two AAK farm stores displayed their products (a small amount of sales were conducted).

AAK Committee Meetings— During March, committee meetings were held in the IFDC conference room. Twelve members of the fertilizer committee met on the 2nd of March and discussed issues such as: providing NPK fertilizer to AAK retail stores for credit; follow-up with remaining debtors who purchased NPK on credit last year; and, the organization of a meeting with international organizations involved in agriculture in the south to discuss the use of NPK fertilizer. The Seed and Advocacy committees had a joint meeting to discuss seed policy issues. In attendance were 11 AAK committee members as well as the Chief of the Osh Oblast state seed inspection and the deputy chief of the Osh Oblast coordination center for seed. The CPP and Marketing committees held a joint session with 28 members in attendance. During the

meeting the head agronomist from Agrozoovetservice gave a presentation on proper usage of crop protection products.

AAK Coordinators Meeting— A coordinators meeting took place in March with 7 out of the 9 AAK Coordinators in attendance (AAK Coordinators act as the contact person for members in their region to update them on new activities, events, and issues pertinent to the Association). Discussion included results of coordinator activities for December through March, upcoming activities for March through June, and a brainstorming session on how to attract new members.

AAK Board of Directors Meeting— During March, the AAK Board of Directors conducted their quarterly meeting. Six of the 9 members were in attendance. According to the Association By-laws if a board member misses two meetings in a year they are to be replaced with the candidate who received the next highest number of votes at the General Assembly. Due to the fact that Kasymov Karamali has missed two meetings, the BoD voted to replace him with Mamatov Marip, from Bazar-Korgon, Jalalabad. Mr. Marip was contacted and joined the Board Members on the following day.

Activities presented during the BoD meeting included:

- a) A round table discussion on the elimination of VAT for agricultural inputs was held. Representatives of 11 agricultural associations and cooperatives from southern Kyrgyzstan were present at this session. After an AAK presentation and discussion, all representatives signed a letter to the President, Prime Minister, and Parliament Members of the Kyrgyz Republic.
- b) A follow-up session on Association sustainability was held in the afternoon to continue the development of the Association Business Plan. Board Members were informed that Ed Beaman, President of the Iowa Agribusiness Association will work with the BoD sometime during April or May.
- c) On day two, a second round table was held with international organizations (involved in agriculture) and credit institutions to discuss the promotion and use of NPK complex fertilizer. Organizations present included Pragma, Bai Tushum, KAFC, RAS, Tes Center, and the UNDP Poverty Alleviation staff. A follow-up report will be provided by AAK to all attendees.

- d) The BoD created a subcommittee to oversee and assist in the development of AAK farm stores. Discussion was held on recommendations for entrepreneurs who are opening AAK farm stores.

Emergency Session of the AAK Board of Directors— In February, a meeting with participation of AAK Board members and fertilizer committee members was held on the issue of fertilizer supply from Russia arranged by the government of Kyrgyzstan. As the result the association members prepared an official letter with AAK “Jer Azygy” advocating against the Government involvement in the purchase of fertilizer. Partially as a result of these actions the Government reversed their decision to supply 20,000 metric tons of fertilizer into the country.

Business Development Services (BDS)

The BDS Unit is a direct support unit for input dealers, and it addresses general training, marketing assistance, and specific product introduction as well as providing credit facilitation, where possible and feasible for AAK members. During the quarter, BDS staff monitored all loans and agreements involving AAK members. All loans received are current and installments are being paid on a regular basis. The following activities were developed by the Business Development Unit during the quarter:

Credit Round Tables— In January two round tables on “The Efficient Use of Credit for Successful Businesses” were held in Osh and Jalalabad for AAK members. Four financial institutions were invited (KAFC, “Bai Tushum”, Ineximbank, and “Ai-Ken”).

- In Osh three financial institutions attended the round table (Ai-Ken informed us just prior to the event that they would not be able to attend). Each institution made a presentation about their services and answered questions from the audience. 16 AAK members from Osh and Batken Oblasts attended the event. The business development specialist reported about the credit guarantee fund work in 2003 and also mentioned that services on business-plan preparation, business project advising, and the credit guarantee program will again be available for AAK members in 2004.
- In Jalalabad city two financial institutions attended the round table (KAFC and Bai Tushum) with 14 AAK members in attendance. The information presented

mirrored the Osh round table. **During these round tables, 6 business plans were submitted. Five of these business plans were for retail farm store development and one was for cotton seed production.*

Credit Guarantee Fund— In January, Avilov Sabyrjan, an AAK member from the Jalalabad oblast reimbursed a loan ahead of schedule in the amount of 270,000 KGS and applied to Bai Tushum for a new loan in the same amount. Staff from the Business Development Unit prepared a letter of guarantee and sent it to Bai Tushum. The credit was approved and AAK will guarantee 20% of his loan in the amount of 54,000 KGS. In mid March, the Business Development Unit prepared a business plan for Dehkanbayev Hamidulo from the Uzgen rayon for a loan application in the amount of 180,000 KGS. Last May Dehkanbayev received a loan from KAFC in the amount of 40,000 KGS. He reimbursed this loan at the end of February (ahead of schedule) and applied for a loan to Financial Fund Bai Tushum. Bai Tushum is considering his application and AAK has agreed to provide a guarantee.

All AAK members who received a loan last year using the Credit Guarantee Fund have completed their reimbursements allowing these funds to be used for continued loan requests.

Farm Store Support— During the quarter the Business Development Unit has been collecting information on various products that farm store entrepreneurs can stock in their stores. During the first week of March, the Business Development Assistant traveled to Bishkek to attend the Kyrgyz Agricultural Exposition where he collected product information and company contacts. The Chief Business Development Specialist traveled with the Moscow study tour and collected product information and company contacts from exhibitors at the Moscow agricultural expo. This information is being compiled and will be distributed to farm store entrepreneurs.

In February, staff from the Business Development Unit inspected AAK member retail shops that are planning to open in the near future. Eight retail stores were approved and 3 of them ordered signs with the AAK logo. The following AAK members' premises were inspected:

1. Shamshidinov Abdymanap – Karasuu rayon
2. Salahudinov Jalaldin – Osh city
3. Karatayev Abdugopor – Nookat rayon
4. Yuldashev Hairulo – Osh city

5. Kokozov Adan – Uzgen rayon
6. Asrankulov Myrzalim – Kadamjai rayon
7. Shakirova Habiba - Kadamjai rayon
8. Japarova Ayim - Kadamjai rayon
9. Avilov Sabyrjan – Suzak rayon
10. Ablazov Usmanjon - Suzak rayon
11. Bekeshov Abdalim – Nooken rayon

Gil Nir, an STC specializing in farm store development arrived from Israel to work with AAK farm store entrepreneurs in the three oblasts. Mr. Nir met individually with AAK members who are opening farm stores in the Osh, Jalalabad, and Batken Oblasts. Two seminars were provided in the city of Osh and the city of Jalalabad for these members. Mr. Nir will complete his consultancy in the first week of April and will provide a training seminar to project staff prior to departure.

Agronomic Services (AS)

The AS unit is a direct support unit for input dealers and an indirect support unit for AAK's farmer customers. Field demonstrations, publications, and training programs provide knowledge of "best management practices" through Private Sector Extension Services (PSES) and will improve AAK entrepreneurs' understanding of the value-added benefits of information and technology.

During January, the AS unit delivered copies of the 2003 KAED demonstration reports (vegetable, wheat, maize, cotton, and potato) to the Osh and Jalalabad state administration department heads. Seed suppliers have been contacted for the Project's 2004 demonstration plots and varieties have been selected. The Project agronomist developed publications on orchard pruning and production of oilseed crops. These publications have been published and were distributed in village meetings during February.

An NPK marketing campaign was developed during the first half of January. Articles were prepared for local newspapers and a television spot was aired on regional and national TV

during the second week of January (for more information see NPK Campaign in the Media section below).

Technology Transfer Centers—During February, the Agronomic Unit prepared agreement forms on rent and usage of land for the upcoming season's Technology Transfer Centers. Agreements have been signed on the usage of land for TTCs in Batken, Osh, and Jalalabad oblasts for winter grain crops and spring vegetable, cotton, and cereal crops. For the vegetable demonstration plots, participating farmers/AAK members have received cabbage, tomato, pepper, and egg-plant seeds to prepare seedlings.

Purchase of seeds: The Agronomic Unit has received vegetable seed from NUNHEMS (4 hybrid watermelon, 2 cucumber hybrids, 5 tomato hybrids, and one each of pepper, eggplant, carrot, radish, and squash) to test on a free of charge basis. Also, according to the protocol we have obtained seeds from Seminis Vegetable Seed Company.

Maize seed: The Kyrgyz Institute of Land has just started to sell hybrid maize seeds (Ala-Too, Oktyabrski-70, and Manas). During the month of March, 2 kg of each variety were purchased.

Seed potato: German Agro-Action has provided 40 kg of German potato varieties to the project free of charge – Agave, Delicate, and Valize. The Nookat cooperative NUKOK will sell us 3 Holland potato varieties (25 som per kg) and will provide 400 kg of each variety – Remark, Konkurent, Latona. In addition, the KAED project has assisted Europlant (a German potato seed company) to have 4 varieties tested with the State Testing Commission to allow them to enter the Kyrgyz market. As a result of this assistance, Europlant has also provided 3 varieties to the project for this year's TTC's.

Variety Testing: The Chief Agronomist and the COP met with Dmitrii Ten, the Chairperson of the State Commission on Agriculture Crop Variety Testing. Discussion focused on testing and registration of Europlant varieties, a German Potato Seed Company interested in introducing their potatoes in the local market. Mr. Ten has provided us with application forms to

test seed potato tubers in the country. Europlant has provided 50 kg of each variety including a certificate of origin and phytosanitary certificate.

Work at TTC on winter grain crops: Nitrogen fertilizer has been applied (ammonium nitrate) for winter grain crops on all the fields in Osh, Batken and Jalalabad oblasts. In total there are 8 plots (Batken oblast 2, Osh oblast 3, and Jalalabad oblast 3). Each field is of 0.1 ha and 260 kg of ammonium nitrate were provided to AAK members whose land the trials are being conducted on.

Top Dressing of Winter Wheat: The Project's Chief Agronomist has completed the final topdressing for the winter wheat demonstration plots for the three oblasts. In addition, farmers have applied Grandstar herbicide for control of weeds on these plots.

Media Support (MS)

The Media Support Unit is a direct support unit for AAK and an indirect support unit for AAK's member businesses. This unit handles all communication support activities for both the KAED project and AAK on tasks such as public relations, media support, press releases, and newsletter development.

NPK Marketing Campaign— During January the NPK marketing campaign was kicked off with local and national television spots on the benefits of complex fertilizer. Articles were also produced in local newspapers with testimonials from AAK members (who are based in the newspaper's distribution region) who used NPK during 2003. The national television station ORT was contacted to determine the price. An initial rate of \$160 per minute was received from the company. After further discussion and explanation that the AAK Trade association is working to support the agricultural sector we were successful in receiving a reduced price of \$70 per minute.

Because of this campaign, the KAED/AAK office received an average of 4 phone calls per day asking about complex fertilizer and contact information where this fertilizer can be purchased. A television spot was recently developed on the safe usage of CPPs and will be aired during the first part of next quarter.

AAK Agribusiness Newsletter— 600 copies of the monthly newsletter were distributed during January, February, and March (Kyrgyz and Russian versions). In addition, an electronic version has been sent to any companies or organizations who have expressed an interest. Articles included topical agricultural education information, AAK price lists of inputs available for sale, AAK advocacy positions, highlights of past and future AAK events, and a calendar of future AAK programs. After upgrading the format and content the office has received several requests for additional copies.

Cooperation and Leveraged Support

KAED continued to develop, support, and build relationships with other donor programs operating in the region. Examples of this include:

- IFDC developed two vegetable seed round tables in conjunction with with invited representation including Pragma, GTZ RAS, Tes Center, HOPE, and other international organizations.
- The Chief of Party has met with ACTED, a French based NGO to discuss future development of a voucher program to assist them in providing high-quality inputs as part of their credit program targeting at-risk farmers.
- IFDC worked closely with financial institutions that are servicing the agricultural sector in the development of a series of workshops to AAK members on how to receive loans and develop business plans.
- The Chief Agronomist traveled with Tes-Center consultants to participate in a producer meeting in the city of Uzgen. During the meeting information was provided on proper use of fertilizer, varieties available in the market, as well as information on upcoming association activities.
- During the first week of March, the KAED Chief Agronomist Participated in an NGO meeting for farmers held by the Osh UNDP program. Information was provided about AAK's activities as well as information about mineral fertilizers and agro-technical advice on best practices for main crops grown in the region. As a follow-up, IFDC has provided the UNDP program with technical brochures.

- IFDC has continued to collaborate with the GTZ program to assist in the provision of inputs for their Agricultural Cooperative Program.
- All KAED publications have been made available in hard copy and electronically to RAS, TES, GTZ, Pragma, and other interested parties.

Activities Planned for Next Quarter

Association Development

- Staff training on sales and promotion of services.
- Continue the regular cycle of board, committee, and village level meetings.
- Advocacy staff and Board training.
- Marketing Round Table.
- Continue media campaign and image building activities.
- Continue the tracking of advocacy issues using the policy matrix.

Business Development

- Organize training on cash flow and financial bookkeeping.
- Collect fees for services provided to AAK members.
- Monitor loan repayments under the Credit Guarantee Fund and the Revolving Credit Fund programs.
- Assist AAK members who are opening retail shops in marketing their goods and services.
- Assist AAK members who are opening retail shops in diversifying their product base.
- Track market prices.
- Produce and disseminate monthly newsletters.

Agronomic Services

- Prepare TTC's and organize field days.
- Provide training on the safe use of CPPs.
- Deliver a series of training programs on drip irrigation and best practices.
- Develop technical publications on pests and diseases in major crops.

KAED Activities by Quarter (January – March 2004)

Year Three Work Plan Objectives	Activities in Support of Objectives and Achievements – 10 th Quarter
I. Association Development	
KAED Staff Development and training in Association Development.	<ul style="list-style-type: none"> • Staff training on retail marketing • Staff training on advocacy • Staff Training on farm store development
Work with Board of Directors and Project staff to train and develop the Association business Plan	<ul style="list-style-type: none"> • The Board of Director's met to develop a rough draft business plan for AAK through 2007. • A sustainability report was prepared with the BOD and submitted to USAID.
Annual revenue generation will equal annual expenditures by the end of the project	<p>Additional income generating ideas to be incorporated:</p> <ol style="list-style-type: none"> 1. AAK Trade Show to take place in December, 2004 2. Fee-for-service = % of sales from AAK farm stores <p>Total fees collected in the quarter: \$5,700</p>
Increase membership base and ensure membership dues are collected	<p>Total membership = 59</p> <ul style="list-style-type: none"> • 47 members in Category I • 12 Members in Category II • 29 potential members have paid their entrance fee <p>29 People joined AAK during the quarter (7 as Category I and 2 in Category 2; 20 paid their entrance fee). Actual membership equals 170, however dues payment will be followed up during the following quarter.</p>
Revenue generation will equal \$5,000 in year one	<ul style="list-style-type: none"> • Entrance fees and dues for quarter = \$1,899 • Fee for service for quarter = \$126 • Participation fee for training = \$2,702 • Other revenue (purchase of drip irrigation = \$109
Develop an advocacy Round Table in the South	<ul style="list-style-type: none"> • A Round Table on the VAT for agricultural inputs was held in January.
Develop a Policy Matrix to track advocacy issues	<ul style="list-style-type: none"> • A policy matrix training program was held and project staff developed a working matrix to follow issues of interest to AAK members.
II. Business Development	
Stimulate new investments by AAK members	<ul style="list-style-type: none"> • Four new loans were approved this quarter totaling \$12,950. • All loans and credits facilitated by KAED are being monitored and all recipients are current for payment of interest and principle.
Preparation of business plan or feasibility study	<ul style="list-style-type: none"> • Three business plans were developed and approved = \$10,842
Increase legal sales of all fertilizer	<ul style="list-style-type: none"> • A 168% increase in fertilizer imports in 2003 compared to 2002 • Baseline data shows fertilizer sales for 2003 equaled \$1,313,242
Increase legal sales of NPK fertilizer	<ul style="list-style-type: none"> • No importations of NPK took place this year as there was remaining stock from last year's importation. • Baseline sales of NPK equaled 16 metric tons in 2003
Increase the legal sales of CPP products	<ul style="list-style-type: none"> • Baseline sales of CPP equaled \$79,528 in 2003 • During the quarter 5 AAK members sold \$4,860 worth of CPPs
Increase sale of improved seed	<ul style="list-style-type: none"> • Baseline sales of improved seed for 2003 equaled \$718,808
Contact international suppliers about setting up distributors	<ul style="list-style-type: none"> • An AAK member signed a contract to be a representative for Nunhems seeds in Southern Kyrgyzstan. This is the first regional distributor from an international vegetable seed company in the south. • An AAK study tour to the Netherlands is currently taking place where AAK members will be meeting 6 international seed companies.
Assist in design, stocking, and marketing of retail shop outlets	<ul style="list-style-type: none"> • Collected price data and contact information of over 50 Russian and Kyrgyz input suppliers.

Year Three Work Plan Objectives	Activities in Support of Objectives and Achievements – 10 th Quarter
III. Agronomic Services	
Selection of locations for at least 3 spring planted TTCs	<ul style="list-style-type: none"> • 3 vegetable TTCs were selected and 3 field crop TTCs. • 2 potato plots were selected to experiment with new varieties of Russian hybrid seeds.
Generate and distribute economic return information by crop/variety	<ul style="list-style-type: none"> • All demonstration results were delivered to Government Administration Officials in Osh and Jalalabad Oblasts.
Share seed with state seed testing farms	<ul style="list-style-type: none"> • Assisted a German Potato seed company in getting 4 potato varieties tested.
Design new publications as needed	<ul style="list-style-type: none"> • 1 brochure was prepared on orchard pruning and will be distributed next quarter • 1 brochure is currently under development on the production of oil crops (sunflower, safflower, mustard, rape, and soybeans)
Develop a media campaign on CPP safety	<ul style="list-style-type: none"> • A Television spot has been produced and is scheduled to be aired during the months of April and May. • An article was published in the April edition of the AAK newsletter.
Generate an economic comparison from on farm results from users and non-users of improved inputs.	<ul style="list-style-type: none"> • A detailed report was prepared and submitted to USAID based on survey data collected in November and December.
Introduce vegetable seeds from international suppliers.	<ul style="list-style-type: none"> • 36 varieties of hybrids and open pollinated varieties were received from international seed companies (watermelon, cucumber, tomato, carrot, pepper, eggplant, squash, sweet corn, onion, and cabbage. • 3 varieties of Holland origin potato seeds, 2 from Russia, and 4 from Germany were obtained for demonstration purposes.
Obtain Wheat and Maize varieties from CYMMIT and other sources.	<ul style="list-style-type: none"> • 4 maize hybrids were obtained.
Maintain library of technical publications	<ul style="list-style-type: none"> • 10 additional technical publications have been added to the AAK library.
Design new publications as needed	<ul style="list-style-type: none"> • 2 technical brochures were developed and distributed to AAK members (importance of soil analysis and oil crop management).

Appendix

Report

on

Cost Sharing and Leverages of KAED -Kyrgyzstan

Inception Through March 2004

Report Prepared By:

IFDC/KAED Kyrgyz Agro-Input Enterprise Development Project

Funded by

USAID Agreement No.: 116 –G -00-01-00034-00

Note: The background information on computation of cost sharing has been included in prior quarterly and year-end reports. Henceforth, only the summary table will be included. Please contact the IFDC KAED project if there is any need to have this documentation.

Cost Sharing Table Value of Cost Sharing in US \$ 2002 and 2003

No	Activity	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/member visits	2,086	1,372	854	1,168	2,790	1,228	1092	10,407	5,010	1,381	272	1,212
2	Field days/advisory meetings					111	575	430	270	81	220	100	
3	Trade missions/study tours			400			900						
4	Seminar attendance/business counseling					100	380		400		329	6,272	270
5	Tenders, Trade Credit or Consignment												10,086
6	Media coverage		135		235		400		200		870	195	110
7	Credit obtained										2,174	2,118	3,260
8	Internships	750	1500	1500	1500	1500	750			7,000*	7,000	7,000	7,000
9	Grant obtained												
10	Domestic investment by entrepreneurs							235	251	1,804			467
11	Membership registration dues and fees for services			10	56	91	39	54	60	0	585	196	192
	Total US \$	2,836	3,007	2,764	2,959	4,592	5,022	1,811	11,588	13,895	12,559	16,153	22,597
	Grand Total US \$	2,836	5,843	8,607	11,566	16,158	20,430	22,241	33,829	47,724	60,283	76,436	99,033

*Intern funded by Government of Netherlands, Mr. Dilshod Abdulhamidov.

No	Activity 2003	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/ member visits	3,359	1,500	96	1,449	2,487	115	320	5,961	885	1,602	507	594
2	Field days/advisory meetings					412	376	820		100		138	
3	Trade missions/study tours	18		1,006	2,520	8,000	6,050		36,000				
4	Seminar attendance/ business counseling			2,636			1,836	178	432	672		3147	515
5	Tenders, Trade Credit or Consignment												
6	Media coverage	250	1,250	1,070	3,750	1,517	433	1190	135	950			
7	Credit obtained	6,000	8,000	14,000									
8	Internships	7,000*	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
9	Grant obtained												
10	Domestic investment by entrepreneurs											100	
11	Membership registration dues and fees for services	611	584	160	182	645	353	424	709	76	175	197	44
	Total US \$	17,238	18,334	25,968	14,901	20,061	16,163	10,252	50,237	9,683	8,777	11,089	8,153
	Grand Total US \$	116,271	134,605	160,573	175,474	195,535	211,698	221,950	272,187	281,870	290,647	301,736	309,889

No	Activity	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	Association meetings/member visits	3,505	2,559	1,175									
2	Field days/advisory meetings			235									
3	Trade missions/study tours			2,700									
4	Seminar attendance/business counseling			14									
5	Tenders, Trade Credit or Consignment												
6	Media coverage	730	180	45									
7	Credit obtained			12,940									
8	Internships	7,000	7,000	7,000									
9	Grant obtained												
10	Domestic investment by entrepreneurs												
11	Membership registration dues and fees for services	694	717	554									
	Total US \$	11,929	10,456	24,663									
	Grand Total US \$	321,818	332,274	356,937									